

**Virginia Department of Social Services
Office of Audit Services
Fraud Management**

Date: June 21, 2005 Clearinghouse #:2005-02

To: Local Agency Fraud Investigators

From: Division of Fraud Management

Subject: Duplicate Public Assistance Check Process

Effective Date: Immediately

DUPLICATE PUBLIC ASSISTANCE CHECK PROCESS

Fraud Management (FM) and the Division of Finances' (DOF) Fiscal Processing Unit

(FPU) developed the following process when it is determined a duplicate check is issued

following a complaint by a client about a lost/stolen public assistance check.

A. REPORT OF LOST/STOLEN CHECK

A client reports to the local agency they did not receive their TANF/Energy check. The local agency may contact the FPU at fpu.request@dss.virginia.gov or (804) 726-7953 to verify the status of the check.

B. AFFIDAVIT

The client must fill out three (TANF requires three, Energy requires two until September, 2005) originally signed Affidavit on Check Endorsement Forms [See APPENDIX 2 and Forms Section on the local agency web site page, Form

Number

032-06-118/4 (2/04)]¹ and have it notarized *with a raised seal*. The form is used by

local departments when a check is reported lost or stolen in order to secure the payee's statement he/she did not endorse the check².

¹ TANF Manual, Sections 502.5.D and Appendix I to Chapter 500, pages 5 and 6,

² Subsequent to the Check 21 Act, written into law October 2004, original checks are no longer required as proof. The

Act encourages banks to destroy the checks and create an image. It is highly likely within a year there will no longer be

any original checks. The new term is IRD or Image Replacement Documents.

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For TANF, the local agency changes the status on the client case in ADAPT to S01³. This code will notify the FPU the next day on the Daily Stop Payment Report.

Two original signed affidavits *with raised seal* are forwarded to the Home Office FPU. For TANF, the third original signed affidavit is filed in the eligibility record and

for Energy; the second original signed affidavit is filed in the eligibility record.

C. FISCAL PROCESSING UNIT

1. Receive Daily Stop Payment Report (TANF)

Once the local agency enters the S01 code into ADAPT on the clients case, FPU is notified.

2. Affidavit

Once the FPU receives the original signed affidavit, FPU validates whether

or not the check cleared the bank.

a. If the original check has cleared the bank, FPU:

1) Sends one of the original affidavits, along with a copy of the check, to the State's issuing bank, requesting they credit the

Commonwealth of Virginia (COV) account

3 S01 is not the only code that can be used. Use the appropriate code listed below:

S01 Stop Payment Payee Did Not Receive Check

S02 Stop Payment Posted Check Received Then Lost/Stolen

S03 Stop Payment Posted Received, Endors ed Then Lost/Stolen

S04 Stop Payment Posted Check Destroyed, >1/2 Unrecoverable

S05 Stop Payment Posted Check Mailed To Wrong Address

S06 Stop Payment t Posted Store Cashed Check, Robbed/Fire

S07 Stop Payment Special Circumstances (Need Ok By FPU)

S08 Stop Payment Posted, Cashed Check Copy Sent To LWA

S09 Stop Payment Posted, Forgery Initiated

S19 Stop Payment Posted, Other Reason (Need Ok By FPU)

S84 Affidavit Received Original check not cashed

S85 Affidavit Received Original check cashed

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2) Changes the status of the check in ADAPT from S01 to S85

TANF or notifies Energy department in Home Office of status of check

3) After the State's issuing bank contacts the bank of first deposit (the institution that cashed the check), a Complaint Report (see APPENDIX 1, for VDSS use only) is generated.

b. If the original check has NOT cleared the bank, FPU:

1) Places a stop payment on the check

2) Prints a confirmation the next business day

3) Modifies the case from S01 to S84 (TANF) or Home Office
Energy Department is notified.

NOTE: FPU notifies FM when a "check cashing vendor" has a check returned due to stop payment.

If a local agency is notified an original check was cashed after a code of S84, the local agency refers the information to their local fraud investigator to begin review of client fraud. The fraud investigator contacts FPU as appropriate.

REMINDER: The vendor has responsibility of pursuing individuals who cash fraudulent checks. Consult with your local Commonwealth's Attorney.

3. Complaint Report

A Complaint Report is completed b y FPU and forwarded, along with the appropriate paperwork, to FM. At times, the vendor who deposited the check in question will approach the state or locality in an attempt to recover their lost funds. These contacts are handled by FPU.

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D. FRAUD MANAGEMENT

FM receives the affidavit and the Complaint Report and begins the following

initial

review process:

1. All systems are reviewed
2. A letter is generated to the vendor (see APPENDIX 3)
3. Check cashing vendor is contacted for information
4. FM will contact the local agency fraud investigator to proceed with the investigation.

E. LOCAL AGENCY

FM contacts the local agency and the local fraud investigator works with the FM staff to pursue the individual who committed fraud , if applicable. The investigation

may include local, state, and/or federal law enforcement.

NOTE: FPU will notify FM when the funds are recouped as this indicates benefits were received from the COV and further review is required.

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APPENDIX 1

Complaint Report

Complainant Information: Date:

Name of Complainant: Phone Number:

Address:

Client Information:

Name of Client: Spouse:

Case Number: Type:

Date of Birth: SSN:

Address:

Dependent Names:

Details of Compliant:

Time frame of occurrence:

Locality:

Description of Complaint:

How complainant has knowledge:

Supporting Documentation:

Complaint received by: Phone Number:

Complaint assigned to:

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APPENDIX 2

Virginia Seal

Department of Social Services

Affidavit on Check Endorsement

Locality:

Category:

Case No.:

Worker Name:

I hereby state that the Commonwealth of Virginia, Department of Social Services

Public

Assistance Check No. , dated , in the amount of \$, made payable to me, , by the Treasurer of Virginia, was not endorsed by me. I also state that I did not authorize directly or indirectly any other person to endorse my name thereon. I further state that I have not received directly or indirectly payment or benefit of the said check in any way, shape or manner, nor authorized anyone to receive payment of the said check. Further, I understand and agree to notify and return to the Department of Social Services the original check in the event I receive it after signing this statement. Also, I agree to cooperate in any investigation or legal action taken with regard to this matter.

I have read the above statement, or it has been read to me, and I state that this information given by me is true and correct.

Date Signature of Payee/Client

SSN:

Address:

Subscribed and sworn to me, a Notary Public for the City/County of in the State of Virginia, this day of 20

My commission expires 20

Notary Public

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LOST OR STOLEN CHECK REPORT

Date of Report Payee

Address of Payee

Home Phone Work Phone

Check Number Amount Date of check

Were any other items, such as identification, taken? No Yes

If so, What type ID Number

Where did the loss or theft occur? Home Work Auto

Other

Do you have any idea who may have taken this check? No Yes

If so, who?

Description of Suspect Height Weight Sex

Age Race

Address of Suspect

Why do you suspect this person?

How do you know this person?

I

s this person related to you? No Yes

If so, what relation is this person to you?

Are you willing to prosecute the responsible party? No Yes

Please sign your name on the following lines:

Note: This information will be supplied to the financial institution who negotiated the check and law

enforcement agencies to assist in prosecution.

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Affidavit on Check Endorsement/Lost or Stolen Check Report Instructions

FORM NUMBER- 032-06-118/4 (2/04)

PURPOSE OF FORM – To be completed when requesting a stop payment.

USE OF FORM – To be used by the local social services agency when a check is reported

lost or stolen to secure the payee's statement that he or she did not endorse the check.

NUMBER OF COPIES – Three original signed affidavits.

DISPOSITION OF FORM – Submit two original signed affidavits to the VDSS home office,

Division of Finance, Fiscal Processing Unit. File the third original signed affidavit in

the eligibility record.

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INSTRUCTIONS FOR PREPARATION OF AFFIDAVIT ON CHECK ENDORSEMENT

Locality Locality that listed check on warrant register

Category Type of check issued

Case No. Complete case number

Worker Name and # Complete worker's name and number

Check No. Complete 8-digit check number

Dated Show date on the check

\$ Entire amount of the check, including cents

Payable Payee name

Date Date the affidavits are signed

Signature Only PAYEE signature

SSN Payee's social security number

Address Address as shown on the warrant register.

Must have City, State and Zip

Notary Blanks must be completed with Notary information, signed by Notary, and imprinted with the Notary seal.

Date of Report Date affidavit is signed

Payee Name of person check is made payable to

Address of Payee Address as shown on warrant register, including City, State and ZIP

Home Phone Payee's home telephone number

Work Phone Payee's work telephone number

Check Number Complete 8 digit check (warrant) number

Amount Entire amount of check, including cents

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Date of Check Date on check

Other ID taken Check NO or YES

If so, what type List each piece of lost/stolen ID

Where did loss occur Check appropriate box, Home – Work – Auto –
Other

If Other Indicate where

Idea Who? Check NO or YES box

If YES box is checked, complete the following 7 questions:

If so, Who: Person's name

Description Best possible description of suspect

Address of suspect Address of the suspect, including City, State and
Zip

Why this Person Reason this person is suspected

How person is known How payee knows the suspect

Related Check NO or YES

What Relationship Answer how suspect is related to payee

MUST BE COMPLETED

Willing to prosecute Check NO or YES box

Sign name 10 original payee signatures

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APPENDIX 3

Sample Vendor Letters

Vendor Letter 1

Local Agency Letterhead

Date

Dear :

Recently, a Commonwealth of Virginia, Department of Social Services-
Temporary

Assistance for Needy Families (TANF) replacement check(s) was/were cashed at
your

establishment. There are some visible inconsistencies in the check(s) cashed
and, by

contacting you, we are attempting to eliminate any recurrences and deter future
problems.

In order to be effective , it is important procedures are followed precisely. To
remedy a

costly oversight we recommend the following:

- Each recipient presents proper identification, specifically, a state-issued photo identification card, Social Security card or other photo identification or;
- Video tape of recipients cashing checks at your establishment kept for one month, so Investigators can evaluate data timely or;
- Photograph check cashing recipients individually.

We hope you will adopt these recommendations. If you have questions, contact our office at *(agency phone number)*.

Sincerely,

Signature

Title

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Vendor Letter 2

Local Agency Letterhead

Date

Dear :

We received a request for replacement of a Commonwealth of Virginia Department of Social Services - Temporary Assistance for Needy Families (TANF) check cashed at your establishment. In reviewing the check in question, we found the check was not signed and no evidence of the person using any form of identification. By contacting you with our suggestions, we are attempting to eliminate and deter future problems. We will continue to investigate this matter further.

In order to remedy a costly oversight, we recommend the following:

- Each recipient presents proper identification, specifically, a state-issued photo identification card, Social Security card or other photo identification or;
- Video tape of recipients cashing checks at your establishment kept for one month, so Investigators can evaluate data timely or;
- Photograph check cashing recipients individually.

If the investigation leads to the prosecution of a suspect, you may be issued a subpoena to appear in court. We hope you will adopt these recommendations. If you have questions, contact our office at *(agency phone number)*.

Sincerely,

Signature

Title

Department of Social Services

Office of Audit Services

Fraud Management

Date: June 8, 2005 Clearinghouse #:2005-03

To: Local Agency Fraud Investigators

From: Division of Fraud Management

Subject: Department of Motor Vehicles or Eligibility Information Request

Effective Date: Immediately

In an effort to reduce or detect occurrences of potential fraud, the Virginia Department of Social Services' (VDSS) Fraud Management and Division of Benefits Programs in partnership with the Department of Motor Vehicles (DMV) reviewed and updated the 'exchange of information' plan. The following process will better assist you with ensuring the privacy and security of information shared

and exchanged by and between employees of out-of-state and/or in-state Departments of Social or Human Services and/or Offices of Inspector General. Specifically, information from the VDSS/DMV systems is used to detect instances of duplicate assistance.

All requests for information from the DMV or ADAPT systems must be in writing. Out-of-state requests must be submitted on letterhead, via facsimile or United States Postal Service, for authentication.

It is imperative local agency employees do not share DMV information with coworkers

not authorized to access DMV. If an unauthorized co-worker needs information from DMV, they should request appropriate access through their department head or security officer utilizing the appropriate internal methods. Attached is a template for local agencies to use when responding to a request for DMV or ADAPT information. A usable copy is found on the Fraud Web Page under Forms titled, "Information Request Template".

c: Division of Benefits Programs

Division of Information Systems

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Fraud Management Clearinghouse #: 2005-03

**CONFIDENTIAL
SENSITIVE**

_____*(Insert Locality)*_____ **DEPARTMENT OF
SOCIAL SERVICES**

DATE

NAME/TITLE

ADDRESS

Dear :

We received your written request for eligibility or vehicle/driver information from the (Locality) Department of Social Services regarding _____ dated _____.

If applicable, an inquiry of the Eligibility File confirms _____ does/does not receive public assistance benefits in Virginia. The attached is the detailed public assistance program information. The information is stamped "Confidential" and

must not be shared with anyone, except for purposes directly connected with the administration of the public assistance program(s), unless state or federal law provides otherwise.

If applicable, an inquiry from the Department of Motor Vehicles (DMV) confirms that vehicles and/or Operators License for the client(s) are registered and/or licensed in

Virginia. The attached is the detailed DMV information. The information is stamped "Confidential" and must not be shared with anyone, except for purposes directly connected with the administration of the public assistance program(s), unless state

or

federal law provides otherwise.

If you have any questions, please contact me at (LOCAL AGENCY CONTACT AND PHONE NUMBER OR EMAIL ADDRESS).

Sincerely,

Signature/Title

Controlled Distribution

This contains sensitive information from _____ Department of Social Services. Its distribution is controlled and limited to those specifically indicated on the routing sheet.

Ensure the Disposal of this Information

Commonwealth of Virginia

Department of Social Services

Office of Audit Services

Fraud Management

Date: July 5, 2005 Clearinghouse #: 2005-04

To: Local Agency Fraud Investigators

From: Fraud Management

Subject: Fraud Management Referrals

Effective Date: Immediately

Fraud Management (FM) is changing the way referrals are processed in an effort to

benefit everyone. In the past, all referrals were sent with an expectation of an investigative status response and an investigative summary. As of today, only specific

referrals need the response/summary. The following details the new process:

A. Referral Types

1. Full Page (Current)

Referrals requiring a response to FM will continue to have the full-page referral (Appendix 1). An investigation status, along with the investigative summary and cost savings and/or claim amount, is returned to FM once the investigation is closed. A status update is due by the assigned due date. FM will continue to track the referrals.

2. Half Page (New)

The new or adapted referral is a half page (Appendix 2). FM will continue to log the referral with the following information only; however, a response is not necessary to FM. This referral contains the following information:

a. Date

b. Fraud Management Case Number

c. Referred To

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d. FIPS

e. Subjects Name

f. Allegation

g. Source of Referral.

3. Definitions

a. The definitions for either referral are as follows:

1) Date

The date referral is forwarded from FM

2) Fraud Management Case Number

The year-referral number used for tracking purposes

3) Referred To

Agency and person referral addressed to

4) FIPS

FIPS number of agency referral forwarded to

5) Subject's Name

Name of client in the allegation

6) Subject's SSN

Social Security Number of client, if known

7) ADAPT Case Number

The case number listed in ADAPT

8) The type of complaint

a) TANF

b) Food Stamps

c) Fuel– Energy Assistance

d) Child Care

e) Medicaid

f) Other

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9) Allegation

What the source of the referral stated the client was doing

10) Source of Referral

Name and contact information, if appropriate and/or if known, of person making allegation

4. The following refers to the full-page referral:

a. The address and contact information the local agency response is sent to

b. Investigative Status

The following definitions correlate with the Fraud Database Tracking System (FDTS)

_____ 1. - Investigation in progress

_____ 2. - Investigation Cancelled

_____ 3. - Investigation Completed, Unsubstantiated, No Overpayment

_____ 4. - Investigation Completed, Unsubstantiated, Initiate Collections

_____ 5. - Investigation Completed, Initiate ADH

_____ 6. - Investigation Completed, Refer for Prosecution.

c. Cost Savings

The amount of money saved on active cases as a result of the

investigation. The formula: one month's savings x remaining months of certification period = cost savings is used

d. Claim Amount

Amount of Claim established

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e. As a reminder, a space is provided to check whether a Fraud Referral Form and an Investigative Summary are included for return to FM.

C. Fraud Management

A copy of the full-page referral is kept in the FM office. The half page referral is logged on the complaint log.

D. Follow-up Process

1. If FM does not receive a response on an assigned Fraud Referral within 45 days, a second notification is forwarded to the agency asking for an immediate status. If the agency provides a response by mail or telephone informing FM the investigation is in progress or additional time is needed, a notation is made on the FM Complaint Log

2. When the agency fully investigates the referral and addresses the allegation(s), it is the responsibility of the local agency fraud investigator or designated agency representative handling the investigation to return the completed Fraud Referral Form, with an investigative summary to FM.

3. Once FM receives the completed referral and summary, the referral is reviewed for completeness and the FM complaint log noted.

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APPENDIX 1

Date: Fraud Management Case Number:

Referred to: FIPS:

Subject's Name: Subject's SSN:

ADAPT Case Number: TANF Food Stamps

Fuel – Energy Assistance

Child Care Medicaid

Other

Allegation:

Source of Referral: Response Due Date:

Local Agency Response to

Virginia Department of Social Services

Office of Audit Services, Fraud Management

7 N. Eighth Street, Richmond, VA 23219-1849

Attention: Processor (804) 726-7684 FAX: (804) 726-7669

Investigation Status:

☐ 1. Investigation in Progress

☐ 2. Investigation Cancelled

☐ 3. Investigation Completed, Unsubstantiated, No Overpayment

☐ 4. Investigation Completed, Unsubstantiated, Initiate Collections

___ 5. Investigations Completed, Initiate ADH

___ 6. Investigations Completed, Refer for Prosecution

\$_____ Cost Savings on active cases (One month's savings x
remaining

months of certification period = cost savings on active cases)

\$_____ Claim Amount

Send the following to Fraud Management: ___ Fraud Referral Form

___ Investigative Summary

Signature: Print Name:

Title: Date:

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APPENDIX 2

Date: Fraud Management Case Number:

Referred to:

FIPS:

Subject's Name:

Allegation:

Source of Referral:

Commonwealth of Virginia

Department of Social Services

Office of Audit Services

Fraud Management

Date: October 5, 2004 Clearinghouse #: 2004-06

To: Local Agency Fraud Investigators

From: Fraud Management

Subject: Questionable Identification Cards

Effective Date: Immediately

Revised Date: November 10, 2004

Questions were raised as to whether the local agency should confiscate an applicant or client's identification card (ID) if the card appears altered. One situation had a client present an active military ID. The client, when questioned by the investigator, stated they were not on active duty. The investigator immediately contacted the military Provost Marshall (PM). The PM advised the investigator to confiscate the card, cut it up, and dispose of it, which was done. Upon further review, the following is the guidance from Home Office, Fraud Management (FM).

Unless the ID card was issued by the Virginia Department of Social Services or the local agency, agencies should not seize the card for the following reasons:

1. Local agency fraud investigators have not received training on how to differentiate between a valid and altered ID card
2. Seizing someone's ID card presents a number of due process concerns
3. The Department is not aware of any statute that permits local agencies to seize ID cards.

Within the context of homeland security, please notify FM of situations in which

local agencies become aware of information about an individual holding an apparent false ID card or for some other reason that causes concern.

A Few Other Important Notes:

ITIN numbers (Individual Taxpayer Identification Number)

A number that looks like a Social Security Number but begins with a "9", ITIN's are only valid for federal income tax purposes and not for

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identification. They are often used as SSN identification. For more information, go to www.irs.gov and search ITIN. There is a list on the website that shows examples of individuals who need ITIN's. They are issued to foreign nationals and others who have federal tax reporting or filing requirements and don't qualify for a Social Security Number.

ID from USAID Systems.

A Photo Identification Card, with a picture and name, address, DOB, country of birth, Height, Weight...etc. on the front. It is a non U.S.

Government ID; a gold card, and has a hologram of an eagle on it. This ID looks "official", and in the fine print on the front, and larger on the back, it reads "This Identification Card is valid only when used in accordance with US Federal and State Laws" (which implies that it's a legitimate ID) and "For identification only; Non US Govt, Not a Driver's License. The website www.usaidsystems.com displays the card, and is in Spanish, except for part of the order form. This card was made in Norcross, GA; the website is in Miami.

Also review the January 7, 2004 Memorandum regarding Mexican Consular Identification Cards.

Commonwealth of Virginia

Department of Social Services

Office of Audit Services

Fraud Management

Date: October 5, 2004 Clearinghouse #: 2004-05

To: Local Agency Fraud Investigators

From: Fraud Management

Subject: Unannounced Home Visits

Effective Date: Immediately

Revised Date: November 9, 2004

A recent USDA notification entitled, "Policy on Home Visits Conducted by Investigators" created confusion with regard to fraud investigators conducting unannounced home visits. The notification relates to 7 C.F.R. 273.2(f) (4) (iii), which limits the use of home visits during the food stamp application process. The notification stated that "[w]hile Section 273.2(f) does not in fact apply to Food Stamp Program [fraud] investigations; it can be assumed that no other limitations apply to such investigations."

Upon review of the federal code and regulations, only one provision relating to the manner in which fraud investigations are conducted was found. This regulation, 45 C.F.R. § 235.110(b), addresses state plan requirements for

investigating fraud in various programs under several titles of the Social Security Act. Although this regulation does not relate to food stamp investigations, its language is instructive. The state plan "must provide. ...[f]or methods of investigation of situations which there is a question of fraud, that do not infringe on the legal rights of persons involved and are consistent with the principles recognized as affording due process of law." Furthermore, because this regulation is a requirement in other types of fraud investigations, it would be practical to conduct food stamp fraud investigations in the same manner. Furthermore, the Department maintains a uniform fraud manual (Virginia Department of Social Services, Fraud Reduction and Elimination Effort Manual) that applies to fraud investigations, regardless of program area. The manual appears to take into account the legal rights of the persons who are the subject of an investigation. In particular, the section that addresses home visits sufficiently meets this requirement by stating that "[u]nless an investigator is accompanied by law enforcement official in possession of a search warrant, any access to the individual's home is entirely up to the individual."

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Being unaware on any other requirements that restrict fraud investigators in conducting home visits, subject to the restrictions set out in the state plan and the policy manual, fraud investigators can make unannounced home visits in those cases where a home visit is necessary to carry out the investigation.

Commonwealth of Virginia

Department of Social Services

Office of Audit Services

Fraud Management

Date: August 20, 2004 Clearinghouse #:2004-02

To: Local Agency Fraud Investigators

From: Division of Fraud Management

Subject: PARIS Match

Effective Date: Immediately

In 1997, the Department of Health and Human Services started Public Assistance Retrieval Information (PARIS) to assist states in sharing eligibility information. PARIS uses computer matches to identify individuals or families who may be receiving or having duplicate payments improperly made on their behalf in more than one state. This process entails comparing participating states' benefit recipient lists with one another using individuals' social security numbers. Other items of information are included in the files that states share, such as the individual's name, date of birth, address, case number, public assistance benefits received, and dates that benefits were received.

When a client is identified as receiving benefits in more than one state, it is referred to as a "match hit". Matches are conducted by the Defense Manpower Data Center (DMDC) in February, May, August, and November of each year. The Virginia Department of Social Services will be participating in the matching of client's records in February and August of each year.

Each state subsequently receives a list of individuals who may be receiving

duplicate TANF, Food Stamp and Medicaid benefits in another state. All participating states are expected to verify whether individuals identified in the match are eligible for benefits in their state and remove them from the rolls if they are not eligible.

In 2003, a pilot was implemented with various agencies taking part. As of August 2004, Virginia is going statewide with this program. Fraud Management will notify the agencies when the match is run. The training guide is attached for your review.

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PARIS MATCH REPORT IN ADAPT

Eligibility Worker's Responsibility

Allow me to introduce you to the PARIS MATCH SYSTEM

The PARIS Match Report Program is housed in the ADAPT system and is part of the IEVS Match Program. User functionality follows the standard ADAPT format. It is a two part system which serves the needs of the Eligibility Worker and the Fraud Investigator.

When there are matches for individuals on a worker's caseload, workers will receive on the ADAPT Main Menu the message, 'You Have IEVS Matched Data'. This message will display across the worker's screen in accordance with the February and August PARIS match run.

The matches will be displayed for the worker owning the case at the time the report was created in ADAPT. The match will be presented to one worker only. If an individual has TANF, Food Stamps, and Medicaid, the match will display for the TANF worker.

From the ADAPT Main Menu Select **Option 18** (FS/TANF/MC/Fraud Reporting) and transmit.

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This displays the Statistical Report Menu (**IRSTMN**). Select **option 3** and transmit.

Transmitting from this screen will bring up IEVS Match Reports (**IRIEVS**) screen.

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PURPOSE

The IEVS match report provides the worker with a list of all SSNs in their caseload that have resulted in a match with another State. Matches are listed and sorted by the creation date (the date of initial display in ADAPT).

A three-letter identifier for PARIS (PRS) alerts the worker to the type of match report. This screen allows the worker to select a specific report to review.

Matches listed on this screen are automatically removed once a response has been keyed on the benefit Impact Statement (BIS) contained on the IEVS Impact Statement for PARIS (**IRIEVD**) screen.

If the worker has not keyed a response on the benefit impact statement by the 10th day, the ACT DUE column will turn red and count down until the 15th day.

On the 15th day the worker's supervisor will receive the following message on the ADAPT Main Menu, 'Your workers have overdue IEVS'.

NOTE: Count will continue until a response is noted on the BIS, the match will not be automatically deleted.

Matched data will not move from case to case or agency to agency when cases move. The owner of the case in ADAPT when the report was generated is responsible for responding to the match.

'+' in the roll field shows when there are additional matches.

The '+' changes to '-' when all matches have been displayed.

Depressing 'F8' will provide screen help.

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Description Of Fields

'X'

Placing an in this field and transmitting will take you to the actual **IRIEVD** (IEVS Impact Statement for PARIS) for the corresponding SSN.

CREATION DATE

The date the report was posted in ADAPT.

SSN

Pre-filled and protected using the individuals SSN in the ADAPT. If a match results in more than one state, the SSN will be listed more than once and the worker must respond to each match.

Example: Client's SSN results in a match hit with New York, Connecticut and Pennsylvania. The SSN for this client will appear once for each state (three times). Each report must be reviewed and responded to on **IRIEVD**.

'TYP'

Contains the three letter identifier for the available match report.

1. PRS – PARIS

2. RES - Internal Revenue Service

3. BRS - Beneficiary Earnings Exchange Records

4. SDX - State Data Exchange

5. NHR - New Hire Report

TANF CASE

Contains the ADAPT TANF case number if the SSN is included in a TANF application or ongoing case.

FOOD STAMP CASE

Contains the Food Stamp case number if the SSN is included in a Food Stamp application or on going case.

MEDICAID

Contains the MEDICAID case number if the SSN is included in a Medicaid or ongoing case.

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CLIENT NAME (last and first)

Contains the name of the individual whose SSN resulted in a match. This may not be the case name.

To receive the match report information for the selected SSN, key 'X' in the field to the left of the Create Date and transmit.

Upon transmitting, IEVS Impact Statement for PRS (**IRIEVD**) will display.

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This is the IEVS Impact Statement for PARIS.

To this point, the process has been the same for NHR, RES, BRS and PARIS.

While the IRIEVD screen is the same, the major differences are:

- An entry of **"X" in the potential fraud field** will move the match from the eligibility worker to **Fraud Match (Option 20). This eliminates the manual referral process.**

- Selecting F4 displays the PARIS State Match (IRPRSM). This screen yields the same information identified during the computer match.

- The actual match information is different (in body of screen)

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Screen (IRIEVD), displays limited PARIS information and fields for case entry.

Built in edits will not allow the User to transmit off this screen with an incomplete response. In order to view detailed PARIS information, the User may select F4 to view PARIS State Match.

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(IRPRSM) PARIS STATE MATCH

Inquiry only

Purpose

The purpose of this screen is to inform the worker of the matched state information from PARIS. The left side of the screen reflects Va. Case information. The right side of the screen reflects the matched state information. The screen is informational only. It is available in inquiry access. Each state match will be separate.

Description:

SSN

The SSN in the ADAPT system for the client. It was the identifier sent for PARIS matching.

CASE NUMBER (left side)

The 7 digit case number assigned in ADAPT for SSN.

CASE NUMBER (right side)

The case number assigned to SSN in matched state.

CASE NAME (left side)

The case name attached to SSN in ADAPT

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CASE NAME (right side)

The case name attached to SSN in matched state
ADDRESS (left side)
The case address attached to SSN in ADAPT
ADDRESS (right side)
The case address attached to SSN in matched state
DATE OF BIRTH (DOB) (left side)
The DOB for the person attached to SSN in ADAPT
DATE OF BIRTH (DOB) (right side)
The DOB for the person attached to SSN in matched state.
SEX (right side)
The gender of the person attached to SSN in matched state.
PA BEG/END DATES (left/right side)
Right side begin/end date for a TANF in ADAPT.
Left side is the begin/end date for TANF in matched state.
FS BEG/END DATES (left/right side)
Right side is the begin/end date for FS in ADAPT.
Left side is the begin/end date for FS in matched state.
MC BEG/END DATES (left/right side)
Right side is the begin/end date for MC in ADAPT
Left side is the begin/end date for MC in matched state.
FIPS
The case FIPS from ADAPT. Three digit code that identified case residence.
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TANF MONTHS ELIGIBLE (left side)
Reflects the months on the 60 month clock in ADAPT
SSI BEG/END DATES (right side)
The left side is the begin/end date for SSI in matched state, if available.
FRAUD INDICATOR: (left side)
"Y" if fraudulent receipt of TANF, Benefits, within last 10 years, due to Misrepresentation of residence.
Program Code: (left/right side)
Identifies program(s) active on case
A TANF
B GENERAL ASSISTANCE
F FOOD STAMPS
G TANF & FOOD STAMPS
H GA & FOOD STAMPS
I SSI
J SSI & TANF
K SSI & GA
M MEDICAID
N TANF & MEDICAID
O GA & MEDICAID
S FOOD STAMPS & MEDICAID

T TANF, FOOD STAMPS & MEDICAID

U GA, FOOD STAMPS & MEDICAID

V SSI & MEDICAID

Z SSI & FOOD STAMPS

CITY/COUNTY (right side)

Reflects the city/county code for the matched state. It will identify the residence of the case file.

TANF MONTHS ELIGIBLE: (left side)

Reflect the number of countable month's client has received TANF benefits as head of Eligibility Household in matched state.

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FRAUD (right side)

"Y" will be reflected if there has been fraudulent receipt of TANF within the last 10 years, due to misrepresentation of residence.

FUGITIVE FELON:

"Y" will indicate if SSN belongs to a current Fugitive Felon.

DEPENDENTS: (left/right side)

Reflects the number of dependents claimed.

FRAUD PHONE NUMBER: (left/right side)

Left reflects the fraud phone number supplied by Central Office Fraud Unit for VA. On right reflects the fraud number for matched state (will be the local agencies main number).

The Eligibility Worker will use this information to compare the periods of assistance for each state (Virginia and the matched state). If further information from the matched state is required, the fraud phone number for the matched state is in the bottom left corner of the screen.

If more than one state matches with a client, selection of F4 from the PARIS State Match (IRPRSM) will move the User back to IEVS Impact Statement for PARIS (IRIEVD). From the Impact Statement (IRIEVD) select option F2; this displays the IREVS screen to view the additional match.

NOTE: Disclosure To Unauthorized Persons Prohibited is displayed across the top of this screen. This message applies to written and verbal release of information.

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Once the BIS are complete, the match information is deleted from the users IEVS Matched report. **Note: Yolanda Allen case has been removed from the IEVS Match Reports (IRIEVS) and transferred to option 20 (Fraud Match).**

This ends the Eligibility worker's responsibility to the PARIS Match.

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Fraud Investigator Responsibility

Fraud Investigator responsibility begins after the Eligibility Worker has reviewed

the PARIS Matches (cases) and determines a potential fraud exists. The Eligibility Worker completes a PARIS Benefit Impact Statement (IRPBIS) indicating potential fraud by an entry of "X" in the potential fraud field. This action creates a system generated referral to fraud, which is displayed in ADAPT.

From the ADAPT Main Menu select **Option 18** and transmit.

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This displays the Statistical Report Menu (**IRSTMN**)

Purpose

The Statistical Reporting Menu allows the selection of certain reports through ADAPT. The screens can not be updated. They are for viewing only.

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From the Statistical report menu, select **option 20**, Fraud Match.

Purpose

The purpose of this screen is to display each PARIS match for which the eligibility worker has made a determination of potential fraud. The screen is presented with the unassigned fraud referrals first then the assigned referrals. Fraud investigators will be able to view all referrals until the referral is assigned to a specific investigator.

Matches display in numerical order by FIPS. This screen reflects a single case number for Virginia, FIPS code and the matched stated number.

NOTE: The User will not receive the ADAPT message "YOU HAVE IEVS MATCHED DATA. Therefore, the worker must incorporate as part of their daily routine to open option 20 (Fraud Match). This is the only way a worker will be notified of newly received PARIS Matches.

Remember the matches will be transferred to fraud as the Eligibility Worker determines potential fraud exist (this could occur daily). The volume should be heaviest following the February and August PARIS match runs.

If a match is not assigned to a fraud investigator within 90 days, the ACT Due field will change to red on day 90 until day 180th and day 270th. On the 271st day, if the referral has not been assigned to a fraud investigator or the fraud investigator has not responded to the match; the "ACT DUE " field will indicate

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the number of days this match has been available beginning with the 271st day and increasing daily.

An entry of "X" on (IRFRDM)

Description

'X'

Placing an 'X' in this field and transmitting will take the user to the IRFRDS, Fraud Investigator Determination – BIS screen for the corresponding SSN.

CREATION DATE:

Represents the date the report was posted to ADAPT.

SSN:

Pre-filled and protected using the individual's SSN in ADAPT. If the match results in more than one source of information, the SSN will be listed more than once and the worker must respond to each match.

WORKER NUMBER

The worker number is reflected if the report has been assigned to a specific worker. If the worker has not been assigned, the worker number will be blank. All blanks will be listed at the beginning of the match list.

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FIPS

Pre-filled and protected. It will reflect the locality FIPS of the case.

STATE FIPS

Pre-filled and protected. It will reflect the State FIPS that the SSN matched with. There will be a state FIPS for each match. This will be the FIPS numeric. Numeric and state will be reflected on subsequent screens.

CASE NUMBER

Pre-filled and protected. It will reflect the case number associated with the SSN in ADAPT. If more than one case number is found in ADAPT that match on the SSN, the individual programs are noted on IRPBIS, (Fraud Benefit Impact Statement) will reflect the additional case number.

CLIENT NAME

Pre-filled and protected. It reflects the name of the individual who is attached to this SSN. This may not be the case name.

ACT DUE DATE:

Changes to red if no action has been taken on the match by day 90, 180, 270 and will increment by 1 each day from 271 to 365. If no action by day 369, count continues.

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Placing an 'X' beside the selected match and transmitting displays the Benefit Impact Statement Fraud Investigator Determination (IRFRDS).

Purpose

This screen will be used to assign a potential fraud referral to a specific fraud investigator. Referral must be assigned to a fraud investigator prior to completion of data fields. **Only those individuals with a fraud or supervisor profile will have update access.** The screen will be completed: a) an entry of "N" in fraud determination, entry in work status, entry in date action initiated and transmit; or b) an entry of "Y" in fraud determination with an entry in the remaining fields and transmit. These two actions will remove the match from IRFRDM, Fraud Match Screen.

To change an investigator on an assigned case change the "Y" to "N" for "Do you want this potential fraud case assigned to you?" This will revert the referral to

unassigned. **Any supervisor or fraud investigator will be able to reassign the referral.**

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Description

DO YOU WANT THIS POTENTIAL FRAUD ASSIGNED TO YOU?___(Y/N)

Allows the supervisor or fraud investigator to assign the case/referral.

This will also be used to make a change in assignment to a fraud investigator.

SSN

Pre-filled and protected. This is the SSN used for the PARIS match.

REPORT DATE

Pre-filled and protected. This is the date the match was assigned to fraud.

DUE DATE

Pre-filled and protected. This is 365 days from the report date. This date represents the date a fraud investigator should have the case completed and the result recorded on the BIS.

CLIENT

Displays the name of the individual whose SSN resulted in a match. This may not be the case name.

STATE

Pre-filled and protected. This field represents the matched state. It will reflect the state name and FIPS.

PROGRAM

Displays TANF, FOOD STAMPS and MEDICAID

CASE NUMBER

Pre-filled and protected for SSNs that are attached to TANF, Food Stamps and Medicaid applications and recipients.

WORKER

The worker number for this case number pre-filled and protected.

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STATUS

Displays status of programs. Field is pre-filled and protected.

DETERMINED TO BE FRAUD

Y/N entry field. Results of fraud determination by fraud investigator.

CLAIMS ESTABLISHED

Y/N entry field. Fraud Investigator

AMOUNT OF CLAIM

Whole \$ entry for amount of claim as determined by fraud investigator.

COST SAVINGS

Whole \$ entry for amount of cost savings as determined by fraud investigator

WORK STATUS

Fraud Investigator update status of claim using the following fraud investigation codes:

01 Investigation in Progress

02 Investigation could not be completed. Evidence insufficient to determine intent to defraud.

03 Investigation completed. IPV not evident

04 Investigation completed. IPV evident

05 Referred to Commonwealth's Attorney Office

06 Referred To ADH

The code and literal will appear on the screen.

DATE ACTION INITIATED

The Fraud Investigator will enter the date action initiated to make fraud determination.

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From the Benefit Impact Statement Fraud Investigator Determination (IRFRDS), the users make selection to view the following screens:

- F3, returns the user to the Fraud Match screen
- F6 displays the PARIS Benefit Impact Statement completed by the Eligibility Worker.
- F7 displays the PARIS State Match

PARIS State Match (IRPRSM)

Purpose

The purpose of this screen is to inform the worker of the matched state information from PARIS. The left side of the screen reflects Va. Case information. The right side of the screen reflects the matched state information. The screen is informational only. It is available in inquiry access. Each state match will be separate.

Description:

SSN

The SSN in the ADAPT system for the client. It was the identifier sent for PARIS matching.

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CASE NUMBER (left side)

The 7 digit case number assigned in ADAPT for SSN.

CASE NUMBER (right side)

The case number assigned to SSN in matched state.

CASE NAME (left side)

The case name attached to SSN in ADAPT

CASE NAME (right side)

The case name attached to SSN in matched state

ADDRESS (left side)

The case address attached to SSN in ADAPT

ADDRESS (right side)

The case address attached to SSN in matched state

DATE OF BIRTH (DOB) (left side)

The DOB for the person attached to SSN in ADAPT

DATE OF BIRTH (DOB) (right side)

The DOB for the person attached to SSN in matched state.

SEX (right side)

The gender of the person attached to SSN in matched state.

PA BEG/END DATES (left/right side)

The right side begin/end date for a TANF in ADAPT.

The left side is the begin/end date for TANF in matched state.

FS BEG/END DATES (left/right side)

The right side is the begin/end date for FS in ADAPT.

The left side is the begin/end date for FS in matched state.

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MC BEG/END DATES (left/right side)

The right side is the begin/end date for MC in ADAPT

The left side is the begin/end date for MC in matched state.

FIPS

The case FIPS from ADAPT. Three digit code that identified case residence.

TANF MONTHS ELIGIBLE (left side)

Reflects the months on the 600month clock in ADAPT

SSI BEG/END DATES (right side)

The left side is the begin/end date for SSI in matched state, if available.

FRAUD INDICATOR (left side)

Reflects "Y" if fraudulent receipt of TANF, Benefits, within last 10 years, due to Misrepresentation of residence.

Program Code (left/right side)

Identifies program(s) active on case:

A TANF

B GENERAL ASSISTANCE

F FOOD STAMPS

G TANF & FOOD STAMPS

H GA & FOOD STAMPS

I SSI

J SSI & TANF

K SSI & GA

M MEDICAID

N TANF & MEDICAID

O GA & MEDICAID

S FOOD STAMPS & MEDICAID

T TANF, FOOD STAMPS & MEDICAID

U GA, FOOD STAMPS & MEDICAID

V SSI & MEDICAID

Z SSI & FOOD STAMPS

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CITY/COUNTY (right side)

Reflects the city/county code for the matched state. It will identify the residence of the case file.

TANF MONTHS ELIGIBLE (left side)

Reflects the number of countable month's client has received TANF benefits as head of Eligibility Household in matched state.

FRAUD (right side)

"Y" will be reflected if there has been fraudulent receipt of TANF within the last 10 years, due to misrepresentation of residence.

FUGITIVE FELON

"Y" will indicate if SSN belongs to a current Fugitive Felon.

DEPENDENTS (left/right side)

Reflects the number of dependents claimed.

FRAUD PHONE NUMBER (left/right side)

Left reflects the fraud phone number supplied by Home Office, Fraud Management for VA. Right reflects the fraud number for matched state (will be the local agencies main number).

The Fraud Investigator will use this information to compare the periods of assistance for each state (Virginia and the matched state). If further information from the matched state is required, the fraud phone number for the matched state is in the bottom left corner of the screen.

If more than one state matches with a client, selection of F4 from the PARIS State Match (IRPRSM) will move the User back to IEVS Impact Statement for PARIS (IRIEVD). From the Impact Statement (IRIEVD) select option F2; this displays the IREVS screen to view the additional match.

NOTE: *Disclosure to Unauthorized Persons Prohibited* is displayed across the top of this screen. This message applies to written and verbal release of information.

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To select case work status from the Benefit Impact Statement Fraud Investigator Determination (IRFRDs), enter a "?" in the work status field and transmit. Select the appropriate status code by clicking in the field next to the code and transmit.

Literal work code is displayed in work status

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BACKGROUND

PARIS

Public Assistance Retrieval Information

In 1997, the Department of Health and Human Services started PARIS so states could share eligibility information. PARIS uses computer matches to identify individuals or families who may be receiving or having duplicate payments improperly made on their behalf in more than one state. This process entails comparing participating states' benefit recipient lists with one another using individuals' social security numbers. Other items of information are included in the files that state share, such as the individual's name, date of birth, address,

case number, public assistance benefits received, dates that benefits were received.

When a client is identified as receiving benefits in more than one state, this is referred to as a match hit. Matches are conducted by the Defense Manpower Data Center (DMDC) in February, May, August and November of each year. The Virginia Department of Social Services will be participating in the matching of client's record in **February** and **August** of each year.

Each state subsequently receives a list of individuals who may be receiving duplicate TANF, Food Stamp and Medicaid benefits in another state. All participating states are expected to verify whether individuals identified in the match are eligible for benefits in their state and remove them from the rolls if they are not eligible.

States Participating in recent PARIS Matches (16 states and one district):

- South Dakota
- Nebraska
- Kansas
- Maryland
- Illinois
- Tennessee
- Florida
- North Carolina
- Pennsylvania
- New York
- Maine
- Connecticut
- Rhode Island
- Massachusetts
- Missouri
- Virginia
- District of Columbia

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Officials in almost all 16 states and the District of Columbia that participated in PARIS reported that the project has identified improper TANF, Medicaid or Food Stamps payments in more than one state. In February 2001, PARIS identified almost 33,000 instances in which improper payments were potentially made to individuals who appeared to reside in more than one state. Just under half of the potential improper payments involved Medicaid benefits; the rest involved some combination of TANF, Medicaid and Food Stamps. So far, four states and the District of Columbia have collected data on the benefits of the interstate matching system and have documented \$16 million in savings.

Pennsylvania estimated that PARIS uncovered more than \$2.8 million in savings in its TANF, Medicaid and Food Stamps programs. Maryland said that it saved \$7.8 million in the Medicaid program during the first year PARIS was in operation. Kansas estimated that PARIS produced a savings-to-cost ratio of about 27 to 1. In addition, three states collected data on costs as well as savings

from their participation in PARIS, and all these states reported that their savings were greater than the cost they incurred to participate in the project.

Participation with PARIS will offer Virginia a powerful tool for:

- Improving the financial integrity of its Benefit Programs
- Expedite the removal of clients fraudulently receiving Virginia public assistance
- Establish relationships with Investigators in bordering states that may prove useful in future investigations
- Potentially reduce the funds need for public assistance in Virginia
- Ensure Virginia tax dollars are used to provide assistance for Virginia residents
- Aide in the prosecution of clients fraudulently receiving assistance
- Increase the collection of over issuance of Benefit Programs
- Deter future applicants that are receiving assistance in other states from applying with Virginia
- Assist in locating clients that have moved from Virginia to avoid repaying an over issuance amount.
- Increase referrals to fraud units, thereby increasing investigations.

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Tracking

In order for PARIS to be successful, Central Office is in need of each local agency's Fraud Unit's assistance in recording and reporting PARIS activity. To effectively monitor the progress of Operation PARIS, monthly progress reports are needed to provide investigative case status, final dispositions, amount of over issuances, and cost savings. Additionally, the following information is required by the fifth working day of each month:

- Number of referrals received in Fraud (view option 20, FRAUD MATCH)
- Number of referrals verified as cases of duplicate assistance
- Number of Medicaid only cases
- Number, type of benefit and dollar amount of each claim established
- Number, type of benefit and dollar amount of cost savings

Please remember that this is a pilot and as such, is an opportunity to identify problems with the PARIS Match system. All comments and questions are welcome. Please address all issues concerning PARIS to Fraud Management at 804.726.7683 or email Susan Lloyd at.

Thank you for participating in the PARIS match. It is with your participation that the PARIS match program will be a success.

Commonwealth of Virginia

Department of Social Services

Office of Audit Services

Division of Fraud Management

Date: March 5, 2004 Clearinghouse #: 2004-001

To: Local Agency Fraud Investigators

From: Division of Fraud Management

Subject: Guidelines for Electronic Benefit Transfer (EBT) Reports

Effective Date: Immediately

I. Electronic Benefit Transfer Reports

The Electronic Benefit Transfer (EBT) program has many reports available that are generated to assist with the detection of potential fraud. The Division of Fraud Management (DFM) is beginning to utilize some of these reports and disperse them to the appropriate agencies for review and validation of fraud .

Local fraud investigators are responsible for reviewing the reports and responding to the DFM (see Appendix H). The referral form will accompany the locality's report to use for the response. **It is to contain a thorough summary of the investigation, including the amount of any claims or cost savings established as a result of the investigation.**

The investigator **must** check with USDA to ensure the retailer is not currently under investigation **before** interviewing any clients. Contact Katrina Ward, United States Department of Agriculture, Food and Nutrition Services (USDA/FNS) Field Office (804) 287-1705.

A tracking system was developed by the DFM to ensure reports are handled appropriately. Each process will follow the current timeframes.

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II. Reports

A. Out-of-State Transaction Report

The out-of-state transaction report details the Electronic Benefit Transfer (EBT) transactions that occur outside of the State of Virginia. This report reflects electronic benefit transactions, of any amount, that occur within the other 49 states, Guam and the Virgin Islands. Currently, contiguous states are not included in the report. The plan is to add them at a later date.

The report is forwarded to the local fraud investigators, as necessary.

1. Reviewing the Referral Parameters

The geographic location of the transaction is the key factor used to identify for potential referrals. If the transaction occurred in a state outside of Virginia's contiguous states, and if the following parameters are met, review is required. This report contains all open cases with the following parameters:

- a. The use of EBT benefits out-of-state for three or more consecutive months.
- b. 75 percent or more of the transactions are made in another state each month.

Note: Verification of residency is required, per Food Stamp policy (Part VII.B; Part III.A and D).

2. Investigation Hints

- a. Ascertain whether Eligibility is aware of the client's

status.

b. Depending on Eligibility's knowledge, the client's case may be in the process of closing.

c. If it is suspected that a client relocated to another state, contact the other state to ascertain if the client has indicated an establishment of residency by applying for assistance, receiving a driver's license,

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registering a vehicle, or obtaining employment or unemployment benefits, etc.

3. Important reminders for the investigation

a. Beyond investigating if a client is receiving duplicate benefits, verification that the client still lives in Virginia is necessary.

b. If the client moved, the date of the move is important for calculation purposes. The state(s) where the EBT card was used must be contacted to ensure duplicate assistance is not occurring.

Note: Remember the policy definition for the ten year disqualification period is:

Ten years for a determination that fraudulent statements or representations of identity or residency were made to receive benefits in more than one household at the same time. The ten year penalty does not apply when a household fails to report a move to the agency at a former address. (Food Stamp Policy XVII.M)

B. Card Replacement Report

The Card Replacement Report may indicate a client may be selling their EBT card or someone other than the client obtained the card(s).

1. Reviewing the Referral

Parameters

This report contains all open cases with the following parameters:

a. All open cases that had greater than or equal to four cards replaced.

b. Such replacements were received in a three month period.

c. Disaster cases are excluded.

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2. Important reminders for the investigation

a. Ensure the reason codes are reviewed for reissuance.

b. Review the period of time the cards were re-issued.

c. Is there an authorized user on the card?

d. What is the purchase history or trends?

C. Even Dollar Transaction Report

The Even Dollar Transaction Report is a report that may indicate exchanging cash for benefits, or paying on an account, which could include non-Food Stamp items.

To ensure the retailer is not currently under investigation before interviewing any clients, contact Katrina Ward, United States Department of Agriculture, Food and Nutrition Services (USDA/FNS) Field Office (804) 287-1705.

1. Reviewing the Referral

Parameters

This report contains all open cases with the following parameters:

- a. Use of EBT benefits through even dollar transactions for three or more consecutive months.
- b. Use of benefits in greater than or equal to 75 percent of transactions through even dollar transactions .
- c. Use of greater than or equal to one even dollar transaction each month in the period.
- d. The client receives greater than or equal to \$100 in issuance each month in the period.

2. Important reminders for the investigation

- a. The minimum, maximum, and total value of all even dollar transactions is included in each report.

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Division of Fraud Management Clearinghouse #:2004-01

- b. A percentage of even dollar transactions is included for each case.
- c. Total issuance for each month is also included (Transaction Type 201- Benefit Add [through the batch interface]).
- d. Disaster cases are excluded.
- e. Purchases made at Group Homes are excluded as such purchases are regularly even dollar transactions.
- f. A client having transactions of an even dollar amount is not necessarily participating in fraudulent activity (one percent to two percent should be even dollar in a random distribution) , but such activity may warrant a closer review.

D. Multiple Transactions, Same Day, Same Retailer Report

The Multiple Same Day Transactions Report could indicate the selling of benefits and/or stolen EBT card.

1. Reviewing the Referral

Parameters

This report contains all open cases with the following parameters:

- a. Use of greater than or equal to five transactions in the same day
- b. Five or more transactions occur at the same retailer
- c. Transactions occurred within two consecutive months
- d. Report in two month time frames.
- 2. Important reminders for the investigation
 - a. Review for patterns and/or trends.

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Division of Fraud Management Clearinghouse #:2004-01

D. Large Dollar Transactions Report

1. Reviewing the Referral

Parameters

This report contains all open cases with the following parameters:

- a. Four large dollar transactions above \$100.
- b. Four large dollar transactions above \$100 occur at the same smaller retailer in Virginia.
- c. Transactions occur within a three month period.
- d. At least one such transaction each month.
- e. Transactions included purchases and manual authorization holds (which may have cleared at a later date).
- f. Only small retailers are currently included.
- 2. Important reminders for the investigation
 - a. An updated file is expected in March 2004
 - b. Contact Katrina Ward before interviewing any client to ensure the retailer is not currently under investigation.

III. The Review

A. Initiating the Review

Access the EBT Administrative Terminal System (If unable to access, refer to the EBT Training Manual for Virginia Security Profile Assignment)

Review the following screens for each cardholder transaction targeted for review:

- a. Balance Inquiry screen identifies the name, address and social security number of the cardholder

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Division of Fraud Management Clearinghouse #:2004-01

- b. Detail Journal Inquiry screen details the transactions conducted by the cardholder throughout the entire "start date" time period. Detail will display chronologically

- 1) Locations of transactions
- 2) Time
- 3) Date
- 4) Type of transactions (i.e. point-of-sale purchases, credits, etc.) conducted

B. Transaction History

Transaction history older than 90 days plus the current month can be requested through the DFM via mail.

C. Reports

Reports of data from the EBT Administrative Terminal System will assist the reviewer in the process of assessing a card user's purchases and EBT transactions. This information is to be retained in the file as evidence.

D. Patterning

If the case is not found ineligible and remains active, the investigator should closely review the transactions for the next three-month time period to ensure cards are not again improperly used.

Virginia Department of Social Services 2/12/04

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Division of Fraud Management Clearinghouse #:2004-01

Appendix H

Date: Division of Fraud Management

Case Number:

Referred to: FIPS:

Alleged Subjects Name: Alleged Subjects SSN:

ADAPT Case Number: Type: TANF: ___ Food Stamps: ___

Fuel: ___ Child Care: ___

Other: ___

Allegation:

Source of Referral: Response Due Date:

Local Agency Response to

Virginia Department of Social Services

Office of Audit Services, Division of Fraud Management

7 N. Eighth Street, Richmond, VA 23219-1849

Attention: Susan Lloyd (804) 726-7682 FAX: (804) 726-7669

Investigation Status:

☐ 1. Investigation in Progress

☐ 2. Investigation Cancelled

☐ 3. Investigation Completed, Unsubstantiated, No Overpayment

☐ 4. Investigation Completed, Unsubstantiated, Initiate Collections

☐ 5. Investigations Completed, Initiate ADH

☐ 6. Investigations Completed, Refer for Prosecution

\$_____ Cost Savings on active cases (One months savings x remaining months of

certification period = cost savings on active cases) claim amount

\$_____ Claim Amount

Please sign and date below and attach an Investigation Summary. Send both to the Division

of Fraud Management. ___ Fraud Referral Form ___ Investigative Summary

(Check off reminder)

Signature: Print Name:

Title: Date:

Virginia Department of Social Services 2/12/04

Office of Audit Services Page 9 of 9

Division of Fraud Management Clearinghouse #:2004-01

FOOD STAMP COMPLAINT

To: Food and Consumer Services, USDA From: _____, Fraud Investigator

_____ Field Office _____ Dept. of Social Services

Date: _____ Telephone

1. Retail store or individual involved:

Name: _____

Address: _____

2. Nature of alleged violation:

3. Source of information:

Name: _____ Telephone: _____

Address: _____

4. When did the irregularity occur?

5. Will complainant cooperate with USDA in investigating this matter?

Yes_____ No_____

Comments:

~

WILLIAM C. REDDEN CLERK OF COURT

RICHARD G. NAPOLI CHIEF DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA OFFICE OF THE CLERK 1100
E. MAIN ST., RM. 310

RICHMOND, VIRGINIA 23219

April 2, 2003

S. Michelle Lauter

Fraud Program Manager Commonwealth of Virginia Department of Social Services Theater Row
Building 730 East

Broad Street Richmond, VA 23219-1849

TELEPHONE (804) 916-2400

Re: Request for Exemption from Payment of Adversary Proceeding Filing Fees

Dear Ms. Lauter:

This acknowledges receipt of your letter, dated March 26, 2003, which I received in yesterday's mail. Therein, your

office is requesting an exemption from the payment of the fee associated with the filing of adversary proceedings in

our court. From your letter, I understand that the basis for the request is a Code of Federal Regulations provision,

which specifies that "[a] State agency may act on our behalf [United States Department of Agriculture] in any

bankruptcy proceeding against a bankruptcy household with outstanding recipient claims. 7 CFR 273.18U)."

I have taken the liberty of conferring with legal staff assigned to the Administrative Office of the United States

Courts concerning your office's request. I regret to advise you that there does not appear to be any statutory or policy

basis at this time for the granting of a fee payment exemption notwithstanding the CFR provision set forth in your

letter and recited in the preceding paragraph.

The statutory authority for prescribing filing fees is 28 U.S.C. § 1930(a). Under this statutory provision, the Judicial

Conference of the United States (Judicial Conference) is authorized to promulgate the Bankruptcy Court

Miscellaneous Fee Schedule. This fee schedule is authorized by 28 U.S.C. § 1930(b). Bankruptcy fees apply to

everyone, including the United States, unless specifically exempted. The Judicial Conference, however, has

authorized some exceptions to the fee due for filing adversary proceedings. This involves a limited exception for

services rendered on behalf of the United States. Such an exception may be granted if the requestor is an agency,

instrumentality or establishment of the United States government. Thus, even here, the exemption is narrowly applied

as to federal entities. With regard to state agencies, even as to those that may have regulatory

authority to act on a federal agency's behalf, there does not appear to be any evident authority upon which to grant a fee exemption request.

With kind regards, I am,

/~~./;?"~

\ William C. Redden

**Commonwealth of Virginia
Department of Social Services
Division of Program Integrity
Fraud Unit**

Date: April 9, 2003 Clearinghouse #: 2003-07

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Bankruptcy

Effective Date: Immediately

The "FREE" policy manual was amended after research into several areas about bankruptcy. Below is what will appear in the manual when it is revised.

E. Bankruptcy

Local agencies should cease all collection activity once a client files for bankruptcy. Collection activity should not resume until the "Automatic Stay"* is terminated by the Bankruptcy Court. Local agencies should consult with their city or county attorney for assistance with legal questions related to bankruptcy claims.

Food Stamp policy states that local agencies must act on behalf of, and as USDA, in any bankruptcy proceeding against the bankrupt households owing food stamp claims. Local agencies possess any rights, priorities, interests, liens, or privileges, and must participate in any distribution of assets, to the same extent as USDA. Acting as the USDA, local agencies have the power and authority to file objections to discharge, proof of claims, exceptions to discharge, petitions for revocation of discharge, and any other documents, motions, or objections that USDA files.

1. Filing Fees

The Bankruptcy Court may charge filing fees for objections to the discharge of claims. A state agency is not exempt from these fees; however, some federal agencies are exempt.

When a local agency files an objection for a food stamp claim, they should notify the Bankruptcy Clerk they are filing on behalf of the USDA. The local agency may provide the Clerk with the relevant food stamp policy, if necessary. If any local agency submits bankruptcy filings electronically, the agency should place a zero in the fee section for any food stamp claims.

Virginia Department of Social Services

10/1/2003

Division of Program Integrity Page 2 of 4

Fraud Unit Clearinghouse #: 2003-07

This process does not guarantee that local agencies will always be

exempt from the fee because the individual Bankruptcy Clerk makes the final determination. If the exemption is denied, the agency will need to pay the fee.

Below is the response received from the United States Bankruptcy Court:

...your office is requesting an exemption from the payment of the fee associated with the filing of adversary proceedings in our court. From your letter, I understand that the basis for the request is a Code of Federal Regulations provision, which specifies that "[a] State agency may act on our behalf [United States Department of Agriculture] in any bankruptcy proceeding against a bankruptcy household with outstanding recipient claims. (7 CFR 273.18U)." I have taken the liberty of conferring with legal staff assigned to the

Administrative Office of the United States Courts concerning your office's request. I regret to advise you that there does not appear to be any statutory or policy basis at this time for the granting of a fee payment exemption notwithstanding the CFR provision set forth in your letter and recited in the preceding paragraph.

The statutory authority for prescribing filing fees is 28 U.S.C. § 1930(a). Under this statutory provision, the Judicial Conference of the United States (Judicial Conference) is authorized to promulgate the Bankruptcy Court Miscellaneous Fee Schedule. This fee schedule is authorized by 28 U.S.C. § 1930(b).

Bankruptcy fees apply to everyone, including the United States, unless specifically exempted. The Judicial Conference, however, has authorized some exceptions to the fee due for filing adversary proceedings. This involves a limited exception for services rendered on behalf of the United States. Such an exception may be granted if the requestor is an agency, instrumentality or establishment of the United States government. Thus, even here, the exemption is narrowly applied as to federal entities. With regard to state agencies, even as to those that may have regulatory authority to act on a federal agency's behalf, there does not appear to be any evident authority upon which to grant a fee exemption request.

- The filing under any chapter of the Bankruptcy Code automatically operates as a

stay against the commencement or continuation of most judicial, administrative or other proceedings against the debtor or the debtor's estate. The purpose of the stay is to give the Chapter 11 or Chapter 13 debtor "breathing time" for rehabilitation, and to give the Chapter 7 Trustee the protection necessary for administering the assets of the estate, and to relieve the Chapter 7 debtor from the pressure of creditor collection efforts. The law provides a number of exceptions to this general rule. A party seeking relief from the automatic stay must file a motion to lift stay.

Virginia Department of Social Services

10/1/2003

Division of Program Integrity Page 3 of 4

Fraud Unit Clearinghouse #: 2003-07

WILLIAM C. REDDEN CLERK OF COURT RICHARD G. NAPOLI CHIEF DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA OFFICE OF THE CLERK 1100 E. MAIN

ST., RM. 310 RICHMOND, VIRGINIA 23219

April 2, 2003

S. Michelle Lauter

Fraud Program Manager Commonwealth of Virginia Department of Social Services Theater Row
Building 730 East Broad Street Richmond, VA 23219-1849

TELEPHONE (804) 916-2400

Re: Request for Exemption from Payment of Adversary Proceeding Filing Fees

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[United

States Department of Agriculture] in any bankruptcy proceeding against a bankruptcy household with

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to state agencies, even as to those that may have regulatory authority to act on a federal agency's behalf,

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With kind regards, I am,

Virginia Department of Social Services

10/1/2003

Division of Program Integrity Page 4 of 4

Fraud Unit Clearinghouse #: 2003-07

/~~./;?"~

William C. Redden

Commonwealth of Virginia

Department of Social Services

**Division of Program Integrity
Fraud Unit**

Date: April 1, 2003 Clearinghouse #:2003-006

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Nolle Prosequi (Nol Pros) Cases

Effective Date: April 1, 2003

A clarification request was sent to the USDA, Food Stamp Division, concerning their policy on whether an ADH can proceed if the prosecutor decides not to prosecute a case and requests its removal by filing a Nolle Prosequi.

The following response from USDA provides formal policy clarification:

(a) (1) "Administrative Disqualification Procedures or referral for prosecution action should be initiated by the State agency in cases in which the State agency has sufficient documentary evidence to substantiate that an individual has intentionally made one or more acts of intentional Program violation.. *and furthermore...* The State agency should conduct administrative disqualification hearings in cases in which the State agency believes the facts of the individual case do not warrant civil or criminal prosecution through the appropriate court system, in cases previously referred for prosecution that were declined by the appropriate legal authority, and in previously referred cases where no action was taken within a reasonable period of time and the referral was formally withdrawn by the State agency."

If the LDSS believes they have sufficient evidence to take the case to an Administrative Disqualification Hearing (ADH), they should do so according to the regulations. Moreover, the regulations specify three situations in which to pursue an ADH:

1. Whereby prosecution is not warranted
2. The prosecutor declines prosecution
3. No action was taken against the accused within a reasonable period of time

The USDA, Office of General Counsel indicated that a Nolle Prosequi action to dismiss a case is not considered an action against a household, but rather a decision by the prosecutor not to pursue the case criminally.

**Commonwealth of Virginia
Department of Social Services
Division of Program Integrity
Fraud Unit**

Date: January 31, 2003 Clearinghouse #:2003-04

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Child Care

Effective Date: Immediately

The Code of Virginia statute used most often by investigators was re-codified.

As a reminder, Broadcast #1846 was sent out by the Central Office Fraud Unit on September 19, 2002. It is important to note, under the new code, the *definition of Public Assistance was updated to include Child Care.*

Effective October 1, 2002, §63.1 of the Code of Virginia was recodified into §63.2; therefore, all sections are recodified. Investigators must use the new code sections for any warrants or indictments obtained after September 30, 2002. If a judge orders an individual to be sanctioned from *all Public Assistance programs*, the sanction now includes Child Care. Please be sure to review these code citations.

**Commonwealth of Virginia
Department of Social Services
Division of Program Integrity
Fraud Unit**

Date: January 31, 2003 Clearinghouse #:2003-03

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Tax Record Request

Effective Date: February 1, 2003

In the past, the Virginia Department of Social Services' Fraud Unit received, processed and forwarded tax requests to the Virginia Department of Taxation (VDT) as a passthrough for local agency fraud investigators. Because of loss of staff, we now request that local agencies bypass the Central Office and mail requests directly to the VDT.

The VDT is authorized under Code of Virginia, §58.1-3 to provide tax information to the

VDSS Commissioner. Upon written request, the VDT will provide the amount of income

reported on state tax returns of individuals who applied for public assistance. The Code

of Virginia, §63.2, provides that the local social services director is a duly authorized

agent of the DSS Commissioner. Based on this, VDT will honor requests from local

social service agencies for tax information, so long as such information is used for the

purpose of fraud investigations.

It is imperative the effective date of February 1, 2003, is upheld, as the Central Office

Fraud Unit will return any request received after this date to the sender.

Attached is the approved template to use as your official agency request. Please copy

only this format to agency letterhead and do not modify text. This template can also be

located in the FREE Manual under Sections 14, Form number 17.

Please note that the agency director or designee is the authorized agent for the written

request.

Virginia Department of Social Services

10/1/2003

Division of Program Integrity Page 2 of 2

Fraud Unit Clearinghouse #:2003-01

**STATE INCOME TAX INFORMATION REQUEST
FORM #17**

CONFIDENTIAL

(Date)

Ms. Bobbie C. Ferrell, Team Leader

Virginia Department of Taxation

Office of Customer Services

State Department of Taxation

Main Street Center

600 East Main Street, 5th Floor

Richmond, Virginia 23219

Re: REQUEST COPY OF STATE INCOME TAX RETURNS

(Name, SSN)

Dear Ms. Ferrell:

Pursuant to the Code of Virginia, § 63.2-101, the _(local agency name)____, on behalf

of the Virginia Department of Social Services, requests a photostatic copy of the State

Income Tax Return for _____(tax years)_____ submitted by the above referenced individual(s). Also, please include a copy of all W-2 and/or Form

1099, if available.

The information is necessary for the purpose of criminal prosecution for public assistance fraud or civil action for recovery of a debt regarding a public assistance

program administered by this Department.

Thank you for your attention to this request. Should you have any questions regarding

this request, please telephone me at _____ or e-mail _____.

Sincerely,

Director's name

Agency's name

Commonwealth of Virginia

Department of Social Services

Division of Program Integrity

Fraud Unit

Date: January 31, 2003 Clearinghouse #:2003-01

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Defining Investigations/Investigations Closed

Fraud Standards Clarification

Fraud Program Reminders

Effective Date: Immediately

Local agency Fraud Standards and FY 2004 FREE Program instructions were mailed to all agencies in December, 2002. The material contained information relating to changes in FREE Program funding based on workload activities, specific budgeting instructions and changes within the Fraud Plan and Statement of Assurance. This correspondence provides additional information and clarification on the FY 2004 Fraud FREE Program.

The following examples are provided for your convenience:

Definition of a “Completed Investigation”

As related to the new “Fraud Standards”, a completed case is the same as a completed investigation. The investigation is completed when, after all available evidence is examined, it can be concluded the element of fraud is either present or not. Investigations are initiated with the receipt of a fraud referral from within the agency or from an outside source, such as citizen complaints, computer matches, or from a review or audit of public assistance investigation records to detect questionable statements. The following items from the new Fraud Database Tracking System would denote a closed investigation:

- Investigation completed, Unsubstantiated, No overpayment
- Investigation completed, Unsubstantiated, initiate collections
- Investigation completed, Initiate ADH
- Investigation completed, Refer for prosecution

Virginia Department of Social Services

10/1/2003

Division of Program Integrity Page 2 of 4

Fraud Unit Clearinghouse #:2003-01

Examples of what a completed investigation include:

- A referral stating unreported employment is received. The public assistance investigation record is reviewed, and the record indicates the employment was reported.

Fraud was not evident. The investigation is completed

- A fugitive felon match with the Virginia State Police (VSP) reveals a client is a fugitive felon. The investigation reveals that, unbeknown to the VSP, the local law enforcement agency that issued the warrant had it rescinded.

The investigation is completed

- A desk review of a Child Care investigation indicates a questionable statement regarding the client’s attendance at a school. A call to the client’s school or interview with school staff resolves the discrepancy.

The investigation is completed

- Following the receipt of an application for assistance, the agency receives a referral stating the applicant resides in a bordering state. The agency

writes the applicant a letter asking her to come in for an interview, but she does not appear. The application is denied. The investigator must continue the investigation to validate out-of-state residency.

The agency realizes a cost savings

- A referral is received regarding a customer being employed. A review of the investigative file indicates the customer is receiving TANF and Food Stamp assistance. An investigation reveals the customer did not report employment; impacting both TANF and Food Stamp eligibility.

The investigation is completed. The fraud investigator counts this investigation as two investigations, a TANF investigation and a Food Stamp investigation

Examples of what is not an Investigation:

- A referral was made regarding a client who was employed at a fast food restaurant. A review of agency files reveals the client reported her income. Fraud was not committed and the investigation was closed. Six months later the agency receives an identical complaint. A review of the agency's record reveals the new referral was received and investigated previously.

Because an investigation on the same allegation was completed previously, the activity taken to review the investigative file for the second referral does not constitute an investigation

- An eligibility worker asks you to contact another jurisdiction to determine if a customer is receiving public assistance in that jurisdiction

Virginia Department of Social Services

10/1/2003

Division of Program Integrity Page 3 of 4

Fraud Unit Clearinghouse #:2003-01

- Responding to an inquiry from another jurisdiction to determine if an individual is receiving public assistance from the agency
- Responding to questions or requests for information on non-fraud related issues; e.g. support enforcement client calls the office and asks that a message is relayed to DCSE
- Receipt of computer match investigation(s) is considered a referral(s), but not considered a completed investigation(s) until an actual investigation is conducted with a final resolution

Note: Examples provided are not meant to capture every scenario

Fraud Standards Clarifications

The formula provided on the Fraud Standards is applied to a full time investigator. By

applying the methodology given, each investigator can determine the number of investigations to be completed monthly based on each local agencies assigned Full

Time Equivalent (FTE).

The total completed investigations for each agency will be averaged over one year,

effective June 1, 2003, based on 17 completed investigations per one FTE (40 hours).

The Central Office Fraud Unit will issue a progress report quarterly.

Example:

- Ë An agency has four FTE's and one 20 hour investigator totaling 180 hours
- Ë Each FTE is to complete 17 investigations per month
- Ë The 20 hour investigator is to complete eight cases per month.
- Ë The agency is to average 76 completed investigations per month
- Ë At years end, completed investigations should total 912

Fraud Program Reminders

• While attempting to ensure consistency throughout local agency fraud units, it is requested that ONLY approved forms or templates provided by Central Office are utilized. If your agency currently has developed forms, please ensure the forms are approved by the Central Office Fraud Unit within the Division of Program Integrity

Virginia Department of Social Services

10/1/2003

Division of Program Integrity Page 4 of 4

Fraud Unit Clearinghouse #:2003-01

- Local agencies are to continue aggressively pursuing overpayment/over issuance recoveries. TANF and Child Care cash recoveries must be reported to LASER Account 64205
- The completed FY 2004 Plan must be received by the Central Office Fraud Unit for review and approval by the March 1, 2003 deadline. If Plans are not received timely, a local agency will not be funded for its FY 2004 Plan
- The Fraud Activity Report must be submitted on-line no later than the 5th working day following the report month
- Inquiry into the Disqualified Recipient Subsystem (DRS) is required before determining a Food Stamp Program disqualification penalty
- All local agencies participating in the reimbursement component of the FREE Program are given an allocation for operational expenditures. Use of this allocation includes payment for travel, accommodations, and conference registration costs incurred for fraud related training events
- It is essential that new fraud investigators needing policy, procedures, and skills training, as well as experienced investigators wanting to maintain their high level of expertise, be permitted to attend training sessions out of their immediate area, if such training is not provided locally. On-site training sessions presently include:
 - . Fraud "Policy and Procedures", conducted by the Central Office Fraud Unit
 - . "Fundamentals of Fraud Investigations", conducted by VISSTA
 - . "Righting a Report", conducted by VISSTA
 - . "Investigating Strategies and Evidence Collection for Fraud Investigators", conducted by VISSTA
 - . "Interviewing Skills for Public Assistance Investigators", conducted by VISSTA

Note: In addition, fraud investigators enhance their knowledge and skills by attending meetings held by regional fraud committees, PAIV (Public Assistance Investigators of Virginia) and BPRO (Benefit Programs Organization) Fraud Committee

If you have questions, please contact your regional Fraud Advisory Committee

representative or Central Office Fraud Unit at (804) 692-2418.

Commonwealth of Virginia

Department of Social Services

Division of Program Integrity

Fraud Unit

Date: November 20, 2002 Clearinghouse #:2002-1

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Garnishments

Effective Date: Immediately

A valuable collection tool that local agency fraud investigators have at their disposal is the "garnishment". This collection tool is used on court ordered restitution. We encourage all local agencies begin using this tool as appropriate.

Below is the process:

- 1, A garnishment can be implemented ten days after a judgment is granted and no appeal filed in Circuit Court
2. The judgment holder will file two summonses, "Suggestion for Summons in Garnishment" and the "Garnishment Summons"
3. Include a stamped envelope addressed to the debtor, along with both summonses, and file with the General District Court Clerk where the judgment was entered
4. A Social Security number must be provided or the garnishment is not accepted for service
5. The garnishment is good for 90 days
6. If the judgment is not paid in full, a new garnishment must be filed
7. The judgment is on record for ten years, but the garnishment must be re-filed every 90 days, until paid in full
8. If no employment found, a "Summons to Answer Interrogatories" is filed with the General District Court Clerk. This commands the debtor to appear and answer questions concerning their income, property holdings, employment, etc.

If you have questions, please contact your regional Fraud Advisory Committee representative or Central Office Fraud Unit.

Commonwealth of Virginia

Department of Social Services

Division of Program Integrity

Fraud Unit

Date: April 9, 2003 Clearinghouse #: 2003-05

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Fraud Questions and Answers (Q&A)

EBT Claims and Liable Person

Local Inmate Data System (LIDS)

Medicaid Clarifications

Claims and Localities

Effective Date: Immediately

In an effort to reduce the number of Clearinghouses issued, a compilation of topics are

included. Please carefully read each topic.

Fraud Questions and Answers (Q&A)

A Fraud Questions and Answers (Q&A) section was created on the State Fraud Unit

Web Site addressing several frequently asked questions. The questions and answers

are a result of questions that come into the Central Office Fraud Unit by local agencies.

As many agencies experience similar situations, it is anticipated that this is a good reference source.

To Access the Site

- Go to the VDSS local agency site (www.localagency.dss.state.va.us)
- Select State Divisions and Units from the options on the left side of the page
- From the listing that appears, scroll down to the Division of Program Integrity.

Select Program Integrity Web Site

- Select Fraud and Special Investigations from the options on the left side of the page
- Choose Fraud Frequently Asked Questions from the options on the left of the page

Virginia Department of Social Services

12/2/2004

Division of Program Integrity Page 2 of 3

Fraud Unit Clearinghouse #: 2003-05

EBT Claims and Liable Person

In an effort to increase collections, a clarification is necessary regarding liable persons.

If a claim existed and a liable person exists, attempt to get the liable person to agree to

have the money deducted from their EBT account. ADAPT is set up to handle the deduction from the EBT account.

Additionally, it is important to remember that liable persons cannot be put into STARS or

TOP at this time due to ADAPT problems. Problem fix is pending.

Local Inmate Data System (LIDS)

The Local Inmate Data System (LIDS) is now available for investigators. This system

provides data on individuals who are incarcerated in the Virginia local jail system.

The

database is provided as a tool for investigators. You are not required to keep a log of

individuals and/or inquiries; however, *you should only access an individual's information*

if it is necessary for an investigation or to determine eligibility for benefits.

If you do not currently have access to LIDS and would like to receive access you need

to contact your local security officer.

The LIDS user guide is available online at www.scb.state.va.us. You do not need to

print the entire user's guide. You only need the Inquiry, Forms, and Code sections.

The Forms menu will allow the user to obtain a list of individuals currently incarcerated

in a specific local jail.

Medicaid Clarifications

The current Memorandum of Understanding [(1996 version) NOTE: current revision is

pending approval] between VDSS and DMAS states,

DMAS is charged with investigating all allegations of willful misrepresentation or of withholding a pertinent fact or information involved in the determination of the Medicaid or SLH eligibility of all persons, except those allegations which are related to TANF and Auxiliary Grants (AG). Additionally, DMAS must investigate all allegations of criminal acts against the Medicaid Program which do not involve the application for social services, except those allegations which are related to TANF and AG.

Virginia Department of Social Services

12/2/2004

Division of Program Integrity Page 3 of 3

Fraud Unit Clearinghouse #: 2003-05

The following suspected "Medicaid-Only" fraud cases must be referred to DMAS for

investigation:

- *Any stand alone Medicaid*
- *Medicaid attached to Food Stamps*
- *Medicaid attached to Child Care.*

VDSS is charged with investigating *any* TANF related Medicaid.

FREE policy states that local agency investigators must promptly refer "Medicaid-Only"

cases to DMAS for investigation (see Chapter A, Part II, Page 5 of the FREE policy).

Investigators ***should not*** count Medicaid-Only referrals as investigations , or log them

into the database. The investigator should let the Commonwealth's Attorney (CA) know

if a referral is made to DMAS in the event the CA wishes to prosecute all allegations

simultaneously.

Claims and Localities

It is apparent that a clarification is needed regarding ownership of a claim when the

case has gone to more than one agency.

TANF - It is the responsibility of the last agency assigned the case to pursue, collect

and post payments on the claim.

Food Stamps - It is the responsibility of the agency entering the claim into the Food

Stamp Claims Tracking System to pursue, collect and post payments on the claim.

Commonwealth of Virginia

Department of Social Services

Division of Program Integrity

Fraud Unit

Date: April 9, 2003 Clearinghouse #: 2003-02

To: Local Agency Fraud Investigators

From: Central Office Fraud Unit

Subject: Administrative Authority

Effective Date: Immediately

Revised Date: November 9, 2004

January 6, 2005

Fraud Management (FM) researched whether fraud investigators have the administrative ability to administer liens, fieri facias, and orders to withhold and wage

withholdings/garnishment (transactions) to collect public assistance overpayments

(claims) from former public assistance recipients. The claims are the result of intentional program violations, inadvertent household errors and administrative errors.

Research indicates:

Virginia Code § 63.2-512 (formerly § 63.1-127.2) provides the Department of Social Services (DSS) fraud investigators with the administrative authority to collect claims from former public assistance recipients.

Virginia Code § 63.2-512 states:

Any assistance or part thereof erroneously paid to a recipient or former recipient may be recovered by the State Board or local board from the recipient or former recipient as a debt. In accordance with regulations established by the State Board, the amount erroneously paid may also be recovered from the income, assets or other property of the recipient or former recipient or from the assistance payable to the recipient.

§ 63.2-512 allows local departments of Social Services (LDSS) to recover erroneous payments or overpayments as debts. However, nothing in the statute gives DSS the administrative authority to collect the debt. In order to establish the debt and force the former client to pay back the overpayment, DSS must obtain a judgment on the debt. The statute does not permit unilateral administrative collection of the debt. There is nothing, however, which prevents DSS from sending the client a letter demanding repayment.

Virginia Code § 63.2-512 permits the State Board to promulgate regulations allowing DSS to go to court in order to establish a judgment on

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the debt. The State Board, in accordance with § 63.2-512, may also promulgate regulations allowing DSS to use the following debt collection techniques provided in Virginia Code § 2.2-4806: credit bureaus, collection agencies, garnishments, liens, judgments and administrative offsets.

In accordance with § 63.2-506 (formerly § 63.1-88), LDSS are not seeking to recover funds from those presently receiving public assistance.

§ 63.2-506, however, does not apply in this instance. § 63.2-506 simply prevents outside creditors, not DSS, from attachment, levy, or garnishment. In addition, Federal law permits DSS to offset former overpayments with current public assistance payments.

When overpayments are based on alleged fraud, 22 VAC 40-330-30¹ requires that the case be referred to the Commonwealth's Attorney (CA) for prosecution.

In summary, a judgment on the debt must be obtained in order to take collection action,

such as garnishments, liens, etc. Claims should also be submitted to tax intercept and

collection letters sent on civil judgments.

¹ Statutory Authority § 63.2-217 and 63.2 et seq. of the Code of Virginia